



Schedule CIG-BDC
State Form
(R / 12-07)

Indiana Department of Revenue
P.O. Box 901
Indianapolis, IN 46206-0901
Cigarette Tax Bad Debt Credit Form

Name of Licensee	Cig License Number	
	FID#	Date of Order

To be eligible for a bad debt credit, a debt must meet the definition of "bad debt" provided for under IRC 166

"Bad Debt" means the taxes attributable to any portion of a debt that is related to a sale of tobacco products subject to tax under Article 6-7-1-12 that is not otherwise deductible or excludable, that has become worthless or uncollectible in the time period between the date when taxes accrue to the state for the present return, and that is eligible to be claimed, or could be eligible to be claimed if the licensee kept accounts on an accrual basis, as a deduction pursuant to section 166 of the Internal Revenue Code. A bad debt shall not include any interest on the wholesale price of a tobacco product, uncollectible amounts on property that remains in the possession of the licensee until the full purchase price is paid, expenses incurred in attempting to collect any account receivable or any portion of the debt recovered, any accounts receivable that have been sold to a third party for collection, and repossessed property.

A Invoice Date	B Invoice Number	C Name and Address of the Company the Cigarettes were Shipped, Sold, or Transferred to	D Number of Cigarettes: Not packs, cartons, or cases	E Times Tax Rate \$0.04975	F Total Amount of Tax
TOTAL					

Note: Multiple Pages Can Be Used

IMPORTANT: Carry total from Column F of this schedule to Line I on Form CT-4A Indiana Cigarette Tax Stamp Order

This schedule must be submitted and approved before credit can be claimed

A person claiming a bad debt deduction on this schedule must complete in full the information required above and must attach all of the following:

1. A copy of the original invoice that supports each of the bad debts listed above
2. Evidence that the tobacco product was delivered to the purchaser (e.g. a bill of lading signed by the purchaser).
3. Evidence that the purchaser of the tobacco product did not pay the licensee and that the licensee has used reasonable collection practices to collect the debt. (Proof of reasonable collection practices includes copies of delinquency letters, invoices showing past due amount, and/or copies of US Certified Mail cards showing the person signed for the letter/invoice and/or refused to accept the letter/invoice)

NOTE: The delivery of tobacco products to a purchaser who is delinquent on a previous delivery of tobacco products may result in the department requiring additional evidence that the licensee used reasonable collection practices to collect the debt.

4. Explain why you decided the debt was worthless. For example, you could show that the borrower had declared bankruptcy, or that legal action to collect would probably not result in payment of this debt.

Failure to provide this information and documentation could result in this credit to be denied.

I certify under penalty of perjury that the information on this schedule and any attachments is true and complete to the best of my knowledge.

Authorized Signature/Title	Date
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